

Article 4A.

Extension of Corporate Limits.

Part 1. Extension by Petition.

**§§ 160A-24 through 160A-28: Repealed by Session Laws 1983, c. 636, s. 26.**

**§ 160A-29. Map of annexed area, copy of ordinance and election results recorded in the office of register of deeds.**

Whenever the limits of any municipal corporation are enlarged, in accordance with the provisions of this Article, it shall be the duty of the mayor of the city or town to cause an accurate map of such annexed territory, together with a copy of the ordinance duly certified, and the official results of the election, if conducted, to be recorded in the office of the register of deeds of the county or counties in which such territory is situated and in the office of the Secretary of State. The documents required to be filed with the Secretary of State under this section shall be filed not later than 30 days following the effective date of the annexation ordinance. All documents shall have an identifying number affixed thereto and shall conform in size in accordance with rules prescribed by the Secretary. Failure to file within 30 days shall not affect the validity of the annexation. Any annexation shall be reported as part of the Boundary and Annexation Survey of the United States Bureau of the Census. (1947, c. 725, s. 6; 1973, c. 426, s. 74; 1987, c. 715, s. 6, c. 879, s. 3; 1989, c. 440, s. 7; 1991, c. 586, s. 1.)

**§ 160A-30. Surveys of proposed new areas.**

The governing bodies of the cities and towns after five days' written notice to the owner of record or persons in possession of the premises are hereby authorized to enter upon any lands to make surveys or examinations as may be necessary in carrying out the mapping requirements of proposed annexations under any provision of Article 4A of Chapter 160A; provided, the city or town authorizing such entry shall make reimbursement for any damage resulting from such activity. (1947, c. 725, s. 7; 1973, c. 426, s. 74; 1975, c. 312.)

**§ 160A-31. Annexation by petition.**

(a) The governing board of any municipality may annex by ordinance any area contiguous to its boundaries upon presentation to the governing board of a petition signed by the owners of all the real property located within such area. The petition shall be signed by each owner of real property in the area and shall contain the address of each such owner.

(b) The petition shall be prepared in substantially the following form:

DATE:

To the \_\_\_\_\_ (name of governing board) of the (City or Town) of \_\_\_\_\_

1. We the undersigned owners of real property respectfully request that the area described in paragraph 2 below be annexed to the (City or Town) of \_\_\_\_\_
2. The area to be annexed is contiguous to the (City or Town) of \_\_\_\_\_ and the boundaries of such territory are as follows:

(b1) Notwithstanding the provisions of subsections (a) and (b) of this section, if fifty-one percent (51%) of the households in an area petitioning for annexation pursuant to this section have incomes that are two hundred percent (200%) or less than the most recently published United States Census Bureau poverty thresholds, the governing board

of any municipality shall annex by ordinance any area the population of which is no more than ten percent (10%) of that of the municipality and one-eighth of the aggregate external boundaries of which are contiguous to its boundaries, upon presentation to the governing board of a petition signed by the owners of at least seventy-five percent (75%) of the parcels of real property in that area. A municipality shall not be required to adopt more than one ordinance under this subsection within a 36-month period.

(b2) The petition under subsection (b1) of this section shall be prepared in substantially the following form:

DATE:

To the \_\_\_\_\_ (name of governing board) of the (City or Town) of \_\_\_\_\_

1. We the undersigned owners of real property believe that the area described in paragraph 2 below meets the requirements of G.S. 160A-31(b1) and respectfully request that the area described in paragraph 2 below be annexed to the (City or Town) of \_\_\_\_\_.
2. The area to be annexed is contiguous to the (City or Town) of \_\_\_\_\_, and the boundaries of such territory are as follows:

(c) Upon receipt of the petition, the municipal governing board shall cause the clerk of the municipality to investigate the sufficiency thereof and to certify the result of the investigation. For petitions received under subsection (b1) or (j) of this section, the clerk shall receive the evidence provided under subsection (l) of this section before certifying the sufficiency of the petition. Upon receipt of the certification, the municipal governing board shall fix a date for a public hearing on the question of annexation, and shall cause notice of the public hearing to be published once in a newspaper having general circulation in the municipality at least 10 days prior to the date of the public hearing; provided, if there be no such paper, the governing board shall have notices posted in three or more public places within the area to be annexed and three or more public places within the municipality.

(d) At the public hearing persons resident or owning property in the area described in the petition and persons resident or owning property in the municipality shall be given an opportunity to be heard. The governing board shall then determine whether the petition meets the requirements of this section. Upon a finding that the petition that was not submitted under subsection (b1) or (j) of this section meets the requirements of this section, the governing board shall have authority to pass an ordinance annexing the territory described in the petition. The governing board shall have authority to make the annexing ordinance effective immediately or on the June 30 after the date of the passage of the ordinance or the June 30 of the following year after the date of passage of the ordinance.

(d1) Upon a finding that a petition submitted under subsection (j) of this section meets the requirements of this section, the governing body shall have the authority to adopt an annexation ordinance for the area with an effective date no later than 24 months after the adoption of the ordinance.

(d2) Upon a finding that a petition submitted under subsection (b1) of this section meets the requirements of this section, the governing body shall, within 60 days of the finding, estimate the capital cost to the municipality of extending water and sewer lines to

all parcels within the area covered by the petition and estimate the annual debt service payment that would be required if those costs were financed by a 20-year revenue bond. If the estimated annual debt service payment is less than five percent (5%) of the municipality's annual water and sewer systems revenue for the most recent fiscal year, then the governing body shall within 30 days adopt an annexation ordinance for the area with an effective date no later than 24 months after the adoption of the ordinance. If the estimated annual debt service payment is greater than or equal to five percent (5%) of the municipality's annual water and sewer systems revenue for the most recent fiscal year, then the governing body may adopt a resolution declining to annex the area. If such a resolution is adopted, the governing body shall immediately submit a request to the Local Government Commission to certify that its estimate of the annual debt service payment is reasonable based on established governmental accounting principles.

- (1) If the Local Government Commission certifies the estimate, the municipality is not required to annex the area and no petition to annex the area may be submitted under subsection (b1) of this section for 36 months following the certification. During the 36-month period, the municipality shall make ongoing, annual good faith efforts to secure Community Development Block Grants or other grant funding for extending water and sewer service to all parcels in the areas covered by the petition. If sufficient funding is secured so that the estimated capital cost to the municipality for extending water and sewer service, less the funds secured, would result in an annual debt service payment cost to the municipality of less than five percent (5%) of the municipality's annual water and sewer systems revenue for the most recent fiscal year, then the governing body shall within 30 days adopt an annexation ordinance for the area with an effective date no later than 24 months after the adoption of the ordinance.
  - (2) If the Local Government Commission notifies the governing board that the estimates are not reasonable based on established governmental accounting principles and that a reasonable estimate of the annual debt service payment is less than five percent (5%) of the municipality's annual water and sewer systems revenue for the most recent fiscal year, then the governing body shall within 30 days of the notification adopt an annexation ordinance for the area with an effective date no later than 24 months after the adoption of the ordinance.
- (d3) Municipal services shall be provided to an area annexed under subsections (b1) and (j) of this section in accordance with the requirements of Part 7 of this Article.
- (e) From and after the effective date of the annexation ordinance, the territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in such municipality and shall be entitled to the same privileges and benefits as other parts of such municipality. Real and personal property in the newly annexed territory on the January 1 immediately preceding the beginning of the fiscal year in which the annexation becomes effective is subject to municipal taxes as provided in G.S. 160A-58.10. If the effective date of annexation falls between June 1 and June 30, and the effective date of the privilege license tax ordinance of the annexing municipality is June 1, then

businesses in the area to be annexed shall be liable for taxes imposed in such ordinance from and after the effective date of annexation.

(f) For purposes of this section, an area shall be deemed "contiguous" if, at the time the petition is submitted, such area either abuts directly on the municipal boundary or is separated from the municipal boundary by the width of a street or street right-of-way, a creek or river, or the right-of-way of a railroad or other public service corporation, lands owned by the municipality or some other political subdivision, or lands owned by the State of North Carolina. A connecting corridor consisting solely of a street or street right-of-way may not be used to establish contiguity. In describing the area to be annexed in the annexation ordinance, the municipal governing board may include within the description any territory described in this subsection which separates the municipal boundary from the area petitioning for annexation.

(g) The governing board may initiate annexation of contiguous property owned by the municipality by adopting a resolution stating its intent to annex the property, in lieu of filing a petition. The resolution shall contain an adequate description of the property, state that the property is contiguous to the municipal boundaries and fix a date for a public hearing on the question of annexation. Notice of the public hearing shall be published as provided in subsection (c) of this section. The governing board may hold the public hearing and adopt the annexation ordinance as provided in subsection (d) of this section.

(h) A city council which receives a petition for annexation under this section may by ordinance require that the petitioners file a signed statement declaring whether or not vested rights with respect to the properties subject to the petition have been established under G.S. 160A-385.1 or G.S. 153A-344.1. If the statement declares that such rights have been established, the city may require petitioners to provide proof of such rights. A statement which declares that no vested rights have been established under G.S. 160A-385.1 or G.S. 153A-344.1 shall be binding on the landowner and any such vested right shall be terminated.

(i) A municipality has no authority to adopt a resolution or petition itself under this Part for annexation of property it does not own or have any legal interest in. For the purpose of this subsection, a municipality has no legal interest in a State-maintained street unless it owns the underlying fee and not just an easement.

(j) Using the procedures under this section, the governing board of any municipality may annex by ordinance any distressed area contiguous to its boundaries upon presentation to the governing board of a petition signed by at least one adult resident of at least two-thirds of the resident households located within such area. For purposes of this subsection, a "distressed area" is defined as an area in which at least fifty-one percent (51%) of the households in the area petitioning to be annexed have incomes that are two hundred percent (200%) or less than the most recently published United States Census Bureau poverty thresholds. The municipality may require reasonable proof that the petitioner in fact resides at the address indicated.

(k) The petition under subsection (j) of this section shall be prepared in substantially the following form:

DATE:

To the \_\_\_\_\_ (name of governing board) of the (City or Town) of \_\_\_\_\_

1. We the undersigned residents of real property believe that the area described in paragraph 2 below meets the requirements of G.S. 160A-31(j) and respectfully request that the area described in paragraph 2 below be annexed to the (City or Town) of \_\_\_\_\_.
2. The area to be annexed is contiguous to the (City or Town) of \_\_\_\_\_, and the boundaries of such territory are as follows:

(l) For purposes of determining whether the percentage of households in the area petitioning for annexation meets the poverty thresholds under subsections (b1) and (j) of this section, the petitioners shall submit to the municipal governing board any reasonable evidence that demonstrates the area in fact meets the income requirements of that subsection. The evidence presented may include data from the most recent federal decennial census, other official census documents, signed affidavits by at least one adult resident of the household attesting to the household size and income level, or any other documentation verifying the incomes for a majority of the households within the petitioning area. Petitioners may select to submit name, address, and social security number to the clerk, who shall in turn submit the information to the Department of Revenue. Such information shall be kept confidential and is not a public record. The Department shall provide the municipality with a summary report of income for households in the petitioning area. Information for the report shall be gleaned from income tax returns, but the report submitted to the municipality shall not identify individuals or households. (1947, c. 725, s. 8; 1959, c. 713; 1973, c. 426, s. 74; 1975, c. 576, s. 2; 1977, c. 517, s. 4; 1987, c. 562, s. 1; 1989 (Reg. Sess., 1990), c. 996, s. 3; 2011-57, s. 3; 2011-396, s. 10.)

#### **§ 160A-31.1. Assumption of debt.**

(a) If the city has annexed under this Part any area which is served by a rural fire department and which is in:

- (1) An insurance district defined under G.S. 153A-233;
- (2) A rural fire protection district under Article 3A of Chapter 69 of the General Statutes; or
- (3) A fire service district under Article 16 of Chapter 153A of the General Statutes,

then beginning with the effective date of annexation the city shall pay annually a proportionate share of any payments due on any debt (including principal and interest) relating to facilities or equipment of the rural fire department, if the debt was existing at the time of submission of the petition for annexation to the city under this Part. The rural fire department shall make available to the city not later than 30 days following a written request from the city, information concerning such debt. The rural fire department forfeits its rights under this section if it fails to make a good faith response within 45 days following receipt of the written request for information from the city, provided that the city's written request so states by specific reference to this section.

(b) The annual payments from the city to the rural fire department on such shared debt service shall be calculated as follows:

- (1) The rural fire department shall certify to the city each year the amount that will be expended for debt service subject to be shared by the city as provided by subsection (a) of this section; and

- (2) The amount determined under subdivision (1) of this subsection shall be multiplied by the percentage determined by dividing the assessed valuation of the area of the district annexed by the assessed valuation of the entire district, each such valuation to be fixed as of the date the annexation ordinance becomes effective.

(c) This section does not apply in any year as to any annexed area(s) for which the payment calculated under this section as to all annexation ordinances adopted under this Part by a city during a particular calendar year does not exceed one hundred dollars (\$100.00).

(d) The city and rural fire department shall jointly present a payment schedule to the Local Government Commission for approval and no payment may be made until such schedule is approved. The Local Government Commission shall approve a payment schedule agreed upon between the city and the rural fire department in cases where the assessed valuation of the district may not readily be determined, if there is a reasonable basis for the agreement. (1989, c. 598, s. 2.)

**§ 160A-32. Repealed by Session Laws 1983, c. 636, s. 26.1, effective June 29, 1983.**

Part 2. Annexation by Cities of Less Than 5,000.

**§ 160A-33:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.

**§ 160A-34:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.

**§ 160A-35:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.

**§ 160A-35.1:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.

**§ 160A-36:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.

**§ 160A-37:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.

**§ 160A-37.1:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.

**§ 160A-37.2:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.

**§ 160A-37.3:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.

- § **160A-38:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.
- § **160A-39:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.
- § **160A-40:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.
- § **160A-41:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.
- § **160A-42:** Repealed by Session Laws 2011-396, s. 1, effective July 1, 2011. For applicability, see editor's note.
- §§ 160A-43 through 160A-44. Repealed by Session Laws 1983, c. 636, s. 27, effective June 29, 1983.**

Part 3. Annexation by Cities of 5,000 or More.

- § **160A-45:** Repealed by Session Laws 2011-396, s. 7, effective July 1, 2011. For applicability, see editor's note.
- § **160A-46:** Repealed by Session Laws 2011-396, s. 7, effective July 1, 2011. For applicability, see editor's note.
- § **160A-47:** Repealed by Session Laws 2011-396, s. 7, effective July 1, 2011. For applicability, see editor's note.
- § **160A-47.1:** Repealed by Session Laws 2011-396, s. 7, effective July 1, 2011. For applicability, see editor's note.
- § **160A-48:** Repealed by Session Laws 2011-396, s. 7, effective July 1, 2011. For applicability, see editor's note.
- § **160A-49:** Repealed by Session Laws 2011-396, s. 7, effective July 1, 2011. For applicability, see editor's note.
- § **160A-49.1:** Recodified to G.S. 160A-58.57 by Session Laws 2011-396, s. 2, effective July 1, 2011.
- § **160A-49.2:** Recodified to G.S. 160A-58.58 by Session Laws 2011-396, s. 3, effective July 1, 2011.

§ **160A-49.3:** Recodified to G.S. 160A-58.59 by Session Laws 2011-396, s. 4, effective July 1, 2011.

§ **160A-50:** Repealed by Session Laws 2011-396, s. 7, effective July 1, 2011. For applicability, see editor's note.

§ **160A-51:** Recodified to G.S. 160A-58.61 by Session Laws 2011-396, s. 5, effective July 1, 2011.

§ **160A-52:** Recodified to G.S. 160A-58.62 by Session Laws 2011-396, s. 6, effective July 1, 2011.

§ **160A-53:** Repealed by Session Laws 2011-396, s. 7, effective July 1, 2011. For applicability, see editor's note.

§ **160A-54:** Repealed by Session Laws 2011-396, s. 7, effective July 1, 2011. For applicability, see editor's note.

§§ **160A-55 through 160A-56. Repealed by Session Laws 1983, c. 636, s. 27, effective June 29, 1983.**

§ **160A-57. Reserved for future codification purposes.**

#### Part 4. Annexation of Noncontiguous Areas.

#### § **160A-58. Definitions.**

The words and phrases defined in this section have the meanings indicated when used in this Part unless the context clearly requires another meaning:

- (1) "City" means any city, town, or village without regard to population, except cities not qualified to receive gasoline tax allocations under G.S. 136-41.2.
- (2) "Primary corporate limits" means the corporate limits of a city as defined in its charter, enlarged or diminished by subsequent annexations or exclusions of contiguous territory pursuant to Parts 1, 2, and 3 of this Article or local acts of the General Assembly.
- (3) "Satellite corporate limits" means the corporate limits of a noncontiguous area annexed pursuant to this Part or a local act authorizing or effecting noncontiguous annexations. (1973, c. 1173, s. 2.)

#### § **160A-58.1. Petition for annexation; standards.**

(a) Upon receipt of a valid petition signed by all of the owners of real property in the area described therein, a city may annex an area not contiguous to its primary corporate limits when the area meets the standards set out in subsection (b) of this section. The petition need not be signed by the owners of real property that is wholly exempt from property taxation under the Constitution and laws of North Carolina, nor by railroad



companies, public utilities as defined in G.S. 62-3(23), or electric or telephone membership corporations. A petition is not valid in any of the following circumstances:

- (1) It is unsigned.
  - (2) It is signed by the city for the annexation of property the city does not own or have a legal interest in. For the purpose of this subdivision, a city has no legal interest in a State-maintained street unless it owns the underlying fee and not just an easement.
  - (3) It is for the annexation of property for which a signature is not required and the property owner objects to the annexation.
- (b) A noncontiguous area proposed for annexation must meet all of the following standards:
- (1) The nearest point on the proposed satellite corporate limits must be not more than three miles from the primary corporate limits of the annexing city.
  - (2) No point on the proposed satellite corporate limits may be closer to the primary corporate limits of another city than to the primary corporate limits of the annexing city, except as set forth in subsection (b2) of this section.
  - (3) The area must be so situated that the annexing city will be able to provide the same services within the proposed satellite corporate limits that it provides within its primary corporate limits.
  - (4) If the area proposed for annexation, or any portion thereof, is a subdivision as defined in G.S. 160A-376, all of the subdivision must be included.
  - (5) The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, may not exceed ten percent (10%) of the area within the primary corporate limits of the annexing city.

This subdivision does not apply to the Cities of Belmont, Claremont, Concord, Conover, Durham, Elizabeth City, Gastonia, Greenville, Hickory, Kannapolis, Locust, Marion, Mount Airy, Mount Holly, New Bern, Newton, Oxford, Randleman, Roanoke Rapids, Rockingham, Sanford, Salisbury, Southport, Statesville, and Washington and the Towns of Ahoskie, Angier, Apex, Ayden, Benson, Bladenboro, Bridgeton, Burgaw, Calabash, Carthage, Catawba, Clayton, Columbia, Columbus, Cramerton, Creswell, Dallas, Dobson, Four Oaks, Franklin, Fuquay-Varina, Garner, Godwin, Granite Quarry, Green Level, Grimesland, Harrisburg, Holly Ridge, Holly Springs, Hookerton, Hope Mills, Huntersville, Jamestown, Kenansville, Kenly, Knightdale, Landis, Leland, Lillington, Louisburg, Maggie Valley, Maiden, Mayodan, Maysville, Middlesex, Midland, Mocksville, Morrisville, Mount Pleasant, Nashville, Oak Island, Ocean Isle Beach, Pembroke, Pine Level, Pollocksville, Princeton, Ranlo, Richlands, Rolesville, Rutherfordton, Shallotte, Siler City, Smithfield, Spencer, Spring Lake, Stem, Stovall, Surf City, Swansboro, Taylorsville, Troutman, Troy, Wallace, Warsaw, Watha, Waynesville, Weldon, Wendell, Wilson's Mills, Windsor, Yadkinville, and Zebulon.

(b1) Repealed by Session Laws 2004-203, ss. 13(a) and 13(d), effective August 17, 2004.

(b2) A city may annex a noncontiguous area that does not meet the standard set out in subdivision (b)(2) of this section if the city has entered into an annexation agreement

pursuant to Part 6 of this Article with the city to which a point on the proposed satellite corporate limits is closer and the agreement states that the other city will not annex the area but does not say that the annexing city will not annex the area. The annexing city shall comply with all other requirements of this section.

(c) The petition shall contain the names, addresses, and signatures of all owners of real property within the proposed satellite corporate limits (except owners not required to sign by subsection (a)), shall describe the area proposed for annexation by metes and bounds, and shall have attached thereto a map showing the area proposed for annexation with relation to the primary corporate limits of the annexing city. When there is any substantial question as to whether the area may be closer to another city than to the annexing city, the map shall also show the area proposed for annexation with relation to the primary corporate limits of the other city. The city council may prescribe the form of the petition.

(d) A city council which receives a petition for annexation under this section may by ordinance require that the petitioners file a signed statement declaring whether or not vested rights with respect to the properties subject to the petition have been established under G.S. 160A-385.1 or G.S. 153A-344.1. If the statement declares that such rights have been established, the city may require petitioners to provide proof of such rights. A statement which declares that no vested rights have been established under G.S. 160A-385.1 or G.S. 153A-344.1 shall be binding on the landowner and any such vested rights shall be terminated. (1973, c. 1173, s. 2; 1989 (Reg. Sess., 1990), c. 996, s. 4; 1997-2, s. 1; 2001-37, s. 1; 2001-72, s. 1; 2001-438, s. 1; 2002-121, s. 1; 2003-30, s. 1; 2004-203, s. 13(a), (c); 2004-57, s. 1; 2004-99, s. 1; 2004-203, ss. 13(a)-(d); 2005-52, s. 1; 2005-71, s. 1; 2005-79, s. 1; 2005-173, s. 1; 2005-433, s. 9; 2006-62, s. 1; 2006-122, s. 1; 2006-130, s. 1; 2007-17, s. 1; 2007-26, ss. 1, 2(a); 2007-62, s. 1; 2007-225, s. 1; 2007-311, s. 1; 2007-342, s. 1; 2008-24, s. 1; 2008-30, s. 1; 2009-40, s. 2; 2009-53, s. 1; 2009-111, s. 1; 2009-156, s. 1; 2009-298, s. 1; 2009-323, s. 1; 2011-57, s. 1; 2012-96, s. 1; 2013-248, s. 1; 2014-30, s. 2(a); 2015-80, s. 1; 2015-81, s. 2(a); 2015-172, s. 2; 2016-48, s. 2; 2018-56, s. 1.)

#### **§ 160A-58.2. Public hearing.**

Upon receipt of a petition for annexation under this Part, the city council shall cause the city clerk to investigate the petition, and to certify the results of his investigation. If the clerk certifies that upon investigation the petition appears to be valid, the council shall fix a date for a public hearing on the annexation. Notice of the hearing shall be published once at least 10 days before the date of hearing.

At the hearing, any person residing in or owning property in the area proposed for annexation and any resident of the annexing city may appear and be heard on the questions of the sufficiency of the petition and the desirability of the annexation. If the council then finds and determines that (i) the area described in the petition meets all of the standards set out in G.S. 160A-58.1(b), (ii) the petition bears the signatures of all of the owners of real property within the area proposed for annexation (except those not required to sign by G.S. 160A-58.1(a)), (iii) the petition is otherwise valid, and (iv) the public health, safety and welfare of the inhabitants of the city and of the area proposed for annexation will be best served by the annexation, the council may adopt an ordinance

annexing the area described in the petition. The ordinance may be made effective immediately or on any specified date within six months from the date of passage. (1973, c. 1173, s. 2.)

**§ 160A-58.2A. Assumption of debt.**

(a) If the city has annexed under this Part any area which is served by a rural fire department and which is in:

- (1) An insurance district defined under G.S. 153A-233;
- (2) A rural fire protection district under Article 3A of Chapter 69 of the General Statutes; or
- (3) A fire service district under Article 16 of Chapter 153A of the General Statutes,

then beginning with the effective date of annexation the city shall pay annually a proportionate share of any payments due on any debt (including principal and interest) relating to facilities or equipment of the rural fire department, if the debt was existing at the time of submission of the petition for annexation to the city under this Part. The rural fire department shall make available to the city not later than 30 days following a written request from the city, information concerning such debt. The rural fire department forfeits its rights under this section if it fails to make a good faith response within 45 days following receipt of the written request for information from the city, provided that the city's written request so states by specific reference to this section.

(b) The annual payments from the city to the rural fire department on such shared debt service shall be calculated as follows:

- (1) The rural fire department shall certify to the city each year the amount that will be expended for debt service subject to be shared by the city as provided by subsection (a) of this section; and
- (2) The amount determined under subdivision (1) of this subsection shall be multiplied by the percentage determined by dividing the assessed valuation of the area of the district annexed by the assessed valuation of the entire district, each such valuation to be fixed as of the date the annexation ordinance becomes effective.

(c) This section does not apply in any year as to any annexed area(s) for which the payment calculated under this section as to all annexation ordinances adopted under this Part by a city during a particular calendar year does not exceed one hundred dollars (\$100.00).

(d) The city and rural fire department shall jointly present a payment schedule to the Local Government Commission for approval and no payment may be made until such schedule is approved. The Local Government Commission shall approve a payment schedule agreed upon between the city and the rural fire department in cases where the assessed valuation of the district may not readily be determined, if there is a reasonable basis for the agreement. (1989, c. 598, s. 3.)

**§ 160A-58.3. Annexed area subject to city taxes and debts.**

From and after the effective date of the annexation ordinance, the annexed area and its citizens and property are subject to all debts, laws, ordinances and regulations of the annexing city, and are entitled to the same privileges and benefits as other parts of the city. Real and personal property in the newly annexed territory on the January 1 immediately preceding the beginning of the fiscal year in which the annexation becomes effective is subject to municipal taxes as provided in G.S. 160A-58.10. If the effective date of annexation falls between June 1 and June 30, and the privilege licenses of the annexing city are due on June 1, then businesses in the annexed area are liable for

privilege license taxes at the full-year rate. (1973, c. 1173, s. 2; 1975, c. 576, s. 5; 1977, c. 517, s. 7.)

#### **§ 160A-58.4. Extraterritorial powers.**

Satellite corporate limits shall not be considered a part of the city's corporate limits for the purposes of extraterritorial land-use regulation pursuant to G.S. 160A-360, or abatement of public health nuisances pursuant to G.S. 160A-193. However, a city's power to regulate land use pursuant to Chapter 160A, Article 19, or to abate public health nuisances pursuant to G.S. 160A-193, shall be the same within satellite corporate limits as within its primary corporate limits. (1973, c. 1173, s. 2.)

#### **§ 160A-58.5. Special rates for water, sewer and other enterprises.**

For the purposes of G.S. 160A-314, provision of public enterprise services within satellite corporate limits shall be considered provision of service for special classes of service distinct from the classes of service provided within the primary corporate limits of the city, and the city may fix and enforce schedules of rents, rates, fees, charges and penalties in excess of those fixed and enforced within the primary corporate limits. A city providing enterprise services within satellite corporate limits shall annually review the cost thereof, and shall take such steps as may be necessary to insure that the current operating costs of such services, excluding debt service on bonds issued to finance services within satellite corporate limits, does not exceed revenues realized therefrom. (1973, c. 1173, s. 2.)

#### **§ 160A-58.6. Transition from satellite to primary corporate limits.**

An area annexed pursuant to this Part ceases to constitute satellite corporate limits and becomes a part of the primary corporate limits of a city when, through annexation of intervening territory, the two boundaries touch. (1973, c. 1173, s. 2.)

#### **§ 160A-58.7. Annexation of municipal property.**

(a) The city council may initiate annexation of property not contiguous to the primary corporate limits and owned by the city by adopting a resolution stating its intent to annex the property, in lieu of filing a petition. The property must satisfy the requirements of G.S. 160A-58.1. The resolution shall contain an adequate description of the property and fix a date for a public hearing on the question of annexation. Notice of the public hearing shall be published once at least 10 days before the date of the hearing. At the hearing, any resident of the city may appear and be heard on the question of the desirability of the annexation. If the council finds that annexation is in the public interest, it may adopt an ordinance annexing the property. The ordinance may be made effective immediately or on any specified date within six months from the date of passage.

(b) A city has no authority to adopt a resolution or petition itself under this Part for annexation of property it does not own or have any legal interest in. For the purpose of this subsection, a city has no legal interest in a State-maintained street unless it owns the underlying fee and not just an easement. (1987, c. 562, s. 2; 2011-57, s. 2.)

#### **§ 160A-58.8. Recording and Reporting.**

Annexations made under this part shall be recorded and reported in the same manner as under G.S. 160A-29. (1987, c. 879, s. 4.)

#### Part 4A. Effective Dates of Certain Annexation Ordinances.

##### **§ 160A-58.9. Effective date of certain annexation ordinances adopted from January 1, 1987, to August 3, 1987.**

(a) In the case of any annexation ordinance adopted during the period beginning January 1, 1987, and ending on August 3, 1987, if the effective date of the annexation under the ordinance is during 1988, the governing board of the municipality may, notwithstanding G.S. 160A-37(j) or G.S. 160A-49(j), amend the ordinance to provide for an effective date of December 31, 1987. The board must give notice by publication of its intent to consider adoption of such ordinance, such notice to be published at least 10 days before the meeting at which the ordinance is adopted. Copies of the adopted ordinance shall be recorded in accordance with the provisions of G.S. 160A-39 or G.S. 160A-51, as applicable.

(b) This section applies only to territory located in counties with a population of 55,000 or over, according to the 1980 decennial federal census. (1987, c. 715, s. 2.)

##### **§ 160A-58.9A. Effective date of certain annexation ordinances adopted under Article 4A of Chapter 160A.**

(a) No annexation ordinance adopted under Article 4A of Chapter 160A of the General Statutes may become effective during the period beginning November 1, 1989, and ending January 1, 1990. If because of the operation of G.S. 160A-37.1(h), G.S. 160A-37.3(g), G.S. 160A-38, G.S. 160A-58.57(h), G.S. 160A-58.59(g), G.S. 160A-50, the order of any court, or the operation of Section 5 of the Voting Rights Act of 1965, an annexation ordinance is to become effective during the period beginning November 1, 1989, and ending January 1, 1990, it shall instead become effective on a date during the period beginning January 2, 1990, and ending December 31, 1990, set by ordinance of the governing board of the city.

(b) If the final date upon which an annexation ordinance adopted under Article 4A of Chapter 160A of the General Statutes, may be made effective occurs during the period beginning November 1, 1989, and ending January 1, 1990, the effective date of the annexation may be set in the annexation ordinance as any date during the period beginning January 2, 1990, and ending December 31, 1990, in addition to any date permitted by law before November 1, 1989.

(c) This section applies to territory located in counties with a population of 55,000 or over, according to the 1980 decennial federal census, and to territory located in all other counties subject to Part 2 of Article 20 of Chapter 163A of the General Statutes, pursuant to G.S. 163-132.6. (1987, c. 715, s. 3; 1989, c. 440, s. 6; 2017-6, s. 3.)

#### Part 5. Property Tax Liability of Newly Annexed Territory.

##### **§ 160A-58.10. Tax of newly annexed territory.**

(a) Applicability of Section. – Real and personal property in territory annexed pursuant to this Article is subject to municipal taxes as provided in this section.

(b) **Prorated Taxes.** – Real and personal property in the newly annexed territory on the January 1 immediately preceding the beginning of the fiscal year in which the annexation becomes effective is subject to prorated municipal taxes levied for that fiscal year as provided in this subsection. The amount of municipal taxes that would have been due on the property had it been within the municipality for the full fiscal year shall be multiplied by the following fraction: the denominator shall be 12 and the numerator shall be the number of full calendar months remaining in the fiscal year, following the day on which the annexation becomes effective. The product of the multiplication is the amount of prorated taxes due. The lien for prorated taxes levied on a parcel of real property shall attach to the parcel taxed on the listing date, as provided in G.S. 105-285, immediately preceding the fiscal year in which the annexation becomes effective. The lien for prorated taxes levied on personal property shall attach on the same date to all real property of the taxpayer in the taxing unit, including the newly annexed territory. If the annexation becomes effective after June 30 and before September 2, the prorated taxes shall be due and payable on the first day of September of the fiscal year for which the taxes are levied. If the annexation becomes effective after September 1 and before the following July 1, the prorated taxes shall be due and payable on the first day of September of the next succeeding fiscal year. The prorated taxes are subject to collection and foreclosure in the same manner as other taxes levied for the fiscal year in which the prorated taxes become due.

(c) **Taxes in Subsequent Fiscal Years.** – In fiscal years subsequent to the fiscal year in which an annexation becomes effective, real and personal property in the newly annexed territory is subject to municipal taxes on the same basis as is the preexisting territory of the municipality.

(d) **Transfer of Tax Records.** – For purposes of levying prorated taxes the municipality shall obtain from the county a record of property in the area being annexed that was listed for taxation on the January 1 immediately preceding the fiscal year for which the prorated taxes are levied. In addition, if the effective date of annexation falls between January 1 and June 30, the municipality shall, for purposes of levying taxes for the fiscal year beginning July 1 following the date of annexation, obtain from the county a record of property in the area being annexed that was listed for taxation as of said January 1. (1977, c. 517, s. 9.)

**§§ 160A-58.11 through 160A-58.20. Reserved for future codification purposes.**

#### Part 6. Annexation Agreements.

##### **§ 160A-58.21. Purpose.**

It is the purpose of this Part to authorize cities to enter into binding agreements concerning future annexation in order to enhance orderly planning by such cities as well as residents and property owners in areas adjacent to such cities. (1989, c. 143, s. 1.)

##### **§ 160A-58.22. Definitions.**

The words defined in this section shall have the meanings indicated when used in this Part:

- (1) "Agreement" means any written agreement authorized by this Part.
- (2) "Annexation" means any extension of a city's corporate limits as authorized by this Article, the charter of the city, or any local act applicable to the city, as such statutory authority exists now or is hereafter amended.
- (3) "Participating city" means any city which is a party to an agreement. (1989, c. 143, s. 1.)

**§ 160A-58.23. Annexation agreements authorized.**

Two or more cities may enter into agreements in order to designate one or more areas which are not subject to annexation by one or more of the participating cities. The agreements shall be of reasonable duration, not to exceed 20 years, and shall be approved by ordinance of the governing board and executed by the mayor of each city and spread upon its minutes. (1989, c. 143, s. 1.)

**§ 160A-58.24. Contents of agreements; procedure.**

(a) The agreement shall:

- (1) State the duration of the agreement.
- (2) Describe clearly the area or areas subject to the agreement. The boundaries of such area or areas may be established at such locations as the participating cities shall agree. Thereafter, any participating city may follow such boundaries in annexing any property, whether or not such boundaries follow roads or natural topographical features.
- (3) Specify one or more participating cities which may not annex the area or areas described in the agreement.
- (4) State the effective date of the agreement.
- (5) Require each participating city which proposes any annexation to give written notice to the other participating city or cities of the annexation at least 60 days before the adoption of any annexation ordinance; provided, however, that the agreement may provide for a waiver of this time period by the notified city.
- (6) Include any other necessary or proper matter.

(b) The written notice required by subdivision (a)(5) of this section shall describe the area to be annexed by a legible map, clearly and accurately showing the boundaries of the area to be annexed in relation to: the area or areas described pursuant to subdivision (a)(2) of this section, roads, streams and any other prominent geographical features. Such notice shall not be effective for more than 180 days.

(c) No agreement may be entered into under this Part unless each participating city has held a public hearing on the agreement prior to adopting the ordinance approving the agreement. The governing boards of the participating cities may hold a joint public hearing if desired. Notice of the public hearing or hearings shall be given as provided in G.S. 160A-31(c).

(d) Any agreement entered into under this Part may be modified or terminated by a subsequent agreement entered into by all the participating cities to that agreement. The subsequent agreement shall be approved by ordinance after a public hearing or hearings as provided in subsection (c).

(e) No agreement entered into under this Part shall be binding beyond three miles of the primary corporate limits of a participating city which is permitted to annex the area under the agreement, unless approved by the board of county commissioners with jurisdiction over the area. Provided however, that an area where the agreement is not binding because of failure of the board of county commissioners to approve it, shall become subject to the agreement if subsequent annexation brings it within three miles. The approval of a board of county commissioners shall be evidenced by a resolution adopted after a public hearing as provided in subsection (c).

(f) A participating city may terminate an annexation agreement unilaterally or withdraw itself from the agreement, by repealing the ordinance by which it approved the agreement and providing five years' written notice to the other participating cities. Upon the expiration of the five-year period, an agreement originally involving only two cities shall terminate, and an

agreement originally involving more than two cities shall terminate unless each of the other participating cities shall have adopted an ordinance reaffirming the agreement. (1989, c. 143, s. 1.)

**§ 160A-58.25. Effect of agreement.**

From and after the effective date of an agreement, no participating city may adopt an annexation ordinance as to all or any portion of an area in violation of the agreement. (1989, c. 143, s. 1.)

**§ 160A-58.26. Part grants no annexation authority.**

Nothing in this Part shall be construed to authorize the annexation of any area which is not otherwise subject to annexation under applicable law. (1989, c. 143, s. 1.)

**§ 160A-58.27. Relief.**

(a) Each provision of an agreement shall be binding upon the respective parties. Not later than 30 days following the passage of an annexation ordinance concerning territory subject to an agreement, a participating city which believes that another participating city has violated this Part or the agreement may file a petition in the superior court of the county where any of the territory proposed to be annexed is located, seeking review of the action of the city alleged to have violated this Part or the agreement.

(b) Within five days after the petition is filed with the court, the petitioning city shall serve copies of the petition by certified mail, return receipt requested, upon the respondent city.

(c) Within 15 days after receipt of the copy of the petition for review, or within such additional time as the court may allow, the respondent city shall transmit to the reviewing court:

- (1) A transcript of the portions of the ordinance or minute book in which the procedure for annexation has been set forth;
- (2) A copy of resolutions, ordinances, and any other document received or approved by the respondent city's governing board as part of the annexation proceeding.

(d) The court shall fix the date for review of the petition so that review shall be expeditious and without unnecessary delays. The review shall be conducted by the court without a jury. The court may hear oral arguments and receive written briefs, and may take evidence intended to show either:

- (1) That the provisions of this Part were not met; or
- (2) That the provisions of the agreement were not met.

(e) At any time before or during the review proceeding, any petitioner may apply to the reviewing court for an order staying the operation of the annexation ordinance pending the outcome of the review. The court may grant or deny the stay in its discretion upon such terms as it deems proper, and it may permit annexation of any part of the area described in the ordinance concerning which no question for review has been raised.

(f) Upon a finding that the respondent city has not violated this Part or the agreement, the court may affirm the action of the respondent city without change. Upon a finding that the respondent city has violated this Part or the agreement, the court may:

- (1) Remand to the respondent city's governing board any ordinance adopted pursuant to Parts 2 or 3 of this Article, as the same exists now or is hereafter amended, for amendment of the boundaries, or for such other action as is necessary, to conform to the provisions of this Part and the agreement.



- (2) Declare any annexation begun pursuant to any other applicable law to be void. If the respondent city shall fail to take action in accordance with the court's instructions upon remand under subdivision (d)(1) of this section within three months from receipt of such instructions, the annexation proceeding shall be void.

(g) Any participating city which is a party to the review proceedings may appeal from the final judgment of the superior court under rules of procedure applicable in other civil cases. The appealing party may apply to superior court for a stay in its final determination, or a stay of the annexation ordinance, whichever shall be appropriate, pending the outcome of the appeal to the appellate division; provided, that the superior court may, with the agreement of the parties, permit annexation to be effective with respect to any part of the area concerning which no appeal is being made and which can be incorporated into the respondent city without regard to any part of the area concerning which an appeal is being made.

(h) If part or all of the area annexed under the terms of a challenged annexation ordinance is the subject of an appeal to the superior court or appellate division on the effective date of the ordinance, then the ordinance shall be deemed amended to make the effective date with respect to such area the date of the final judgment of the superior court or appellate division, whichever is appropriate, or the date the respondent city's governing board completes action to make the ordinance conform to the court's instructions in the event of remand.

(i) A participating city which is prohibited from annexing into an area under a binding agreement may file a petition in the superior court where any of the territory proposed to be annexed is located, or a response in a proceeding initiated by another participating city, seeking permission to annex territory in the area notwithstanding the agreement. If the territory qualifies for annexation by the city seeking to annex it, the court may enter an order allowing the annexation to proceed with respect to all or a portion of the territory upon a finding that there is an imminent threat to public health or safety that can be remedied only by the city seeking annexation. The procedural provisions of this section shall apply to proceedings under this subsection, so far as applicable. (1989, c. 143, s. 1.)

**§ 160A-58.28. Effect on prior local acts.**

This Part does not affect Chapter 953, Session Laws of 1983, Chapter 847, Session Laws of 1985 (1986 Regular Session), or Chapters 204, 233, or 1009, Session Laws of 1987, authorizing annexation agreements, but any city which is authorized to enter into agreements by one of those acts may enter into future agreements either under such act or this Part. (1989, c. 143, s. 1; 1991 (Reg. Sess., 1992), c. 1030, s. 48.)

**§ 160A-58.29:** Reserved for future codification purposes.

**§ 160A-58.30:** Reserved for future codification purposes.

**§ 160A-58.31:** Reserved for future codification purposes.

**§ 160A-58.32:** Reserved for future codification purposes.

**§ 160A-58.33:** Reserved for future codification purposes.

§ 160A-58.34: Reserved for future codification purposes.

§ 160A-58.35: Reserved for future codification purposes.

§ 160A-58.36: Reserved for future codification purposes.

§ 160A-58.37: Reserved for future codification purposes.

§ 160A-58.38: Reserved for future codification purposes.

§ 160A-58.39: Reserved for future codification purposes.

§ 160A-58.40: Reserved for future codification purposes.

§ 160A-58.41: Reserved for future codification purposes.

§ 160A-58.42: Reserved for future codification purposes.

§ 160A-58.43: Reserved for future codification purposes.

§ 160A-58.44: Reserved for future codification purposes.

§ 160A-58.45: Reserved for future codification purposes.

§ 160A-58.46: Reserved for future codification purposes.

§ 160A-58.47: Reserved for future codification purposes.

§ 160A-58.48: Reserved for future codification purposes.

§ 160A-58.49: Reserved for future codification purposes.

#### Part 7. Annexations Initiated by Municipalities.

##### § 160A-58.50. **Declaration of policy.**

It is hereby declared as a matter of State policy:

- (1) That sound urban development is essential to the continued economic development of North Carolina.
- (2) That municipalities are created to provide the governmental services essential for sound urban development and for the protection of health, safety, and welfare in areas being intensively used for residential, commercial, industrial, institutional, and governmental purposes or in areas undergoing such development.
- (3) That municipal boundaries should be extended in accordance with legislative standards applicable throughout the State to include such areas and to provide

the high quality of governmental services needed therein for the public health, safety, and welfare.

- (4) That areas annexed to municipalities in accordance with such uniform legislative standards should receive the services provided by the annexing municipality.
- (5) That the provision of services to protect the health, safety, and welfare is a public purpose.
- (6) That it is essential for citizens to have an effective voice in annexations initiated by municipalities. (2011-396, s. 9.)

#### **§ 160A-58.51. Definitions.**

As used in this Part, the following definitions apply:

- (1) Contiguous area. – Any area which, at the time annexation procedures are initiated, either abuts directly on the municipal boundary or is separated from the municipal boundary by a street or street right-of-way, a creek or river, the right-of-way of a railroad or other public service corporation, lands owned by the municipality or some other political subdivision, or lands owned by the State of North Carolina. A connecting corridor consisting solely of the length of a street or street right-of-way may not be used to establish contiguity.
- (2) Eligible property owner. – A property owner who is eligible to be notified of the opportunity to have water lines and sewer lines and connections installed at no cost to the property owner. A property owner is eligible to be notified of the opportunity to have water lines and sewer lines and connections installed at no cost to the property owner if that property owner held a freehold interest in the real property to be annexed as of the date of the combined notice of public informational meeting and public hearing.
- (3) Necessary land connection. – An area that does not exceed twenty-five percent (25%) of the total area to be annexed.
- (4) Property owner. – Any person having a freehold interest in real property.
- (5) Used for residential purposes. – Any lot or tract five acres or less in size on which is constructed a habitable dwelling unit. The term also includes any lot or tract that is used in common for social or recreational purposes by either owners of lots with habitable dwelling units or owners of lots intended for occupation by dwelling units and the lot owners have a real property interest in the commonly used property that attaches to or is appurtenant to the owners' lots. (2011-396, s. 9; 2012-11, s. 4.)

#### **§ 160A-58.52. Authority to annex.**

The governing board of any municipality may extend the corporate limits of such municipality under the procedure set forth in this Part. (2011-396, s. 9.)

#### **§ 160A-58.53. Prerequisites to annexation.**

A municipality exercising authority under this Part shall make plans for the extension of services to the area proposed to be annexed and shall, prior to the public hearing

provided for in G.S. 160A-58.55, prepare a report setting forth such plans to provide services to the area proposed to be annexed. The report shall include the following:

- (1) A map or maps of the municipality and adjacent territory to show the following information:
  - a. The present and proposed boundaries of the municipality.
  - b. The present major trunk water mains and sewer interceptors and outfalls, and the proposed extensions of such mains, outfalls, and lines as required in subdivision (3) of this section. The water and sewer map shall bear the seal of a registered professional engineer.
  - c. The general land use pattern in the area proposed to be annexed.
- (2) A statement showing that the area proposed to be annexed meets the requirements of G.S. 160A-58.54.
- (3) A statement setting forth the plans for extending to the area proposed to be annexed each major municipal service on substantially the same basis and in the same manner as such services are provided within the rest of the municipality prior to annexation and the method to finance the extension of major municipal services into the area proposed to be annexed as follows:
  - a. Provision of police protection, fire protection, solid waste collection, and street maintenance services on the effective date of annexation. A contract with a rural fire department to provide fire protection shall be an acceptable method of providing fire protection. A contract with a private firm to provide solid waste collection services shall be an acceptable method of providing solid waste collection services.
  - b. Extension of water and sewer services to each lot or parcel, if an installation easement is provided by the affected property owner, with a proposed timetable for construction of such mains, outfalls, and lines within three and one-half years of the effective date of annexation, in accordance with G.S. 160A-58.56.
- (4) A statement of the impact of the annexation on any rural fire department providing service in the area proposed to be annexed and a statement of the impact of the annexation on fire protection and fire insurance rates in the area proposed to be annexed, if the area where service is provided is in an insurance district designated under G.S. 153A-233, a rural fire protection district under Article 3A of Chapter 69 of the General Statutes, or a fire service district under Article 16 of Chapter 153A of the General Statutes. The rural fire department shall make available to the municipality not later than 30 days following a written request from the municipality all information in its possession or control, including operational, financial, and budgetary information, necessary for preparation of a statement of impact. The municipality shall, in a timely fashion, supply the rural fire department with information requested by the rural fire department to respond to the written request. The rural fire department forfeits its rights under G.S. 160A-58.57 if it fails to make a good faith response within 45 days following receipt of the written request for information from the municipality, provided that the municipality's written request so states by specific reference to this subdivision.

- (5) A statement showing how the proposed annexation will affect the municipality's finances and services, including municipal revenue change estimates. This statement shall be delivered to the clerk of the board of county commissioners at least 30 days before the date of the public informational meeting on any annexation under this Part. (2011-396, s. 9.)

**§ 160A-58.54. Character of area to be annexed.**

(a) A municipal governing board may extend the municipal corporate limits to include any area that meets all of the following criteria:

- (1) It shall be adjacent or contiguous to the municipality's boundaries at the time the annexation proceeding is begun, except if the entire territory of a county water and sewer district created under G.S. 162A-86(b1) is being annexed, the annexation shall also include any noncontiguous pieces of the district as long as the part of the district with the greatest land area is adjacent or contiguous to the municipality's boundaries at the time the annexation proceeding is begun.
- (2) At least one-eighth of the aggregate external boundaries of the area shall coincide with the municipal boundary.
- (3) No part of the area shall be included within the boundary of another incorporated municipality.
- (4) The total area to be annexed shall meet the requirements of any of the following:
  - a. Part or all of the area to be annexed must be developed for urban purposes at the time of approval of the report provided for in G.S. 160A-58.53. The area of streets and street rights-of-way shall not be used to determine total acreage under this subdivision. An area developed for urban purposes is defined as any area which meets any one of the following standards:
    1. Has a total resident population equal to at least two and three-tenths persons for each acre of land included within its boundaries.
    2. Has a total resident population equal to at least one person for each acre of land included within its boundaries, and is subdivided into lots and tracts such that at least sixty percent (60%) of the total acreage consists of lots and tracts three acres or less in size and such that at least sixty-five percent (65%) of the total number of lots and tracts are one acre or less in size.
    3. Is so developed that at least sixty percent (60%) of the total number of lots and tracts in the area at the time of annexation are used for residential, commercial, industrial, institutional, or governmental purposes, and is subdivided into lots and tracts such that at least sixty percent (60%) of the total acreage, not counting the acreage used at the time of annexation for commercial, industrial, governmental, or institutional purposes, consists of lots and tracts three acres or less in size.
    4. Is the entire area of any county water and sewer district created under G.S. 162A-86(b1), if all of the following apply:

- I. The municipality has provided in a contract with that district that the area is developed for urban purposes.
  - II. The contract provides for the municipality to operate the sewer system of that county water and sewer district.
  - III. The municipality is annexing in one ordinance the entire territory of the district not already within the corporate limits of a municipality.
- 5. Is so developed that, at the time of the approval of the annexation report, all tracts in the area to be annexed are used for commercial, industrial, governmental, or institutional purposes.
- b. Part or all of the area to be annexed meets either of the following:
  - 1. Lies between the municipal boundary and an area developed for urban purposes so that the area developed for urban purposes is either not adjacent to the municipal boundary or cannot be served by the municipality without extending major municipal services, including water or sewer lines, through such sparsely developed area.
  - 2. Is adjacent, on at least sixty percent (60%) of its external boundary, to any combination of the municipal boundary and the boundary of an area or areas developed for urban purposes as defined in sub-subdivision a. of this subsection.

The purpose of paragraphs 1. and 2. of this sub-subdivision is to permit municipal governing boards to extend corporate limits to include all nearby areas developed for urban purposes and where necessary to include areas which at the time of annexation are not yet developed for urban purposes but which constitute necessary land connections between the municipality and areas developed for urban purposes or between two or more areas developed for urban purposes.
- c. The total area to be annexed is completely surrounded by the municipality's primary corporate limits.

(b) In fixing new municipal boundaries and determining whether an area is developed for urban purposes, a municipal governing board shall comply with all the following:

- (1) Use recorded property lines and streets as boundaries. Some or all of the boundaries of a county water and sewer district may also be used when the entire district is not already within the corporate limits of the municipality.
- (2) Use whole parcels of property in that if any portion of that parcel is included, the entire parcel of real property as recorded in the deed transferring title shall be included.
- (3) Not use a connecting corridor consisting solely of the length of a street or street right-of-way to establish contiguity.
- (4) Not consider property in use for a commercial, industrial, institutional, or governmental purpose if the lot or tract is used only temporarily, occasionally, or on an incidental or insubstantial basis in relation to the size and character of the lot or tract.

- (5) Include acreage actually occupied by buildings or other man-made structures together with all areas that are reasonably necessary and appurtenant to such facilities for purposes of parking, storage, ingress and egress, utilities, buffering, and other ancillary services and facilities when determining acreage in use for commercial, industrial, institutional, or governmental purposes.
- (6) Consider the area of an abolished water and sewer district to be a water and sewer district for the purpose of this section even after its abolition under G.S. 162A-87.2(b).

(c) As used in this subsection, "bona fide farm purposes" is as described in G.S. 153A-340. As used in this subsection, "property" means a single tract of property or an identifiable portion of a single tract. Property that is being used for bona fide farm purposes on the date of the resolution of intent to consider annexation may not be annexed without the written consent of the owner or owners of the property. (2011-396, s. 9; 2011-363, s. 3.1.)

#### **§ 160A-58.55. Procedure for annexation.**

(a) Resolution of Consideration. – Any municipal governing board desiring to annex territory under the provisions of this Part shall first pass a resolution of consideration identifying the area under consideration for annexation by either a metes and bounds description or a map. The resolution of consideration shall remain effective for two years after adoption and be filed with the municipal clerk. A new resolution of consideration adopted before expiration of the two-year period for a previously adopted resolution covering the same area shall relate back to the date of the previous resolution. Adoption of a resolution of consideration shall not confer prior jurisdiction over the area as to any other municipality.

(b) Notice of Resolution of Consideration. – A notice of the adoption of the resolution of consideration shall be published once a week for two successive weeks, with each publication being on the same day of the week, in a newspaper having general circulation in the municipality. The second publication shall be no more than 30 days following adoption of the resolution of consideration. The resolution of consideration shall contain a map or description of the area under consideration and a summary of the annexation process and time lines. A copy of the resolution of consideration shall be mailed within 30 days after the adoption of the resolution of consideration by first class mail to the property owners of real property located within the area under consideration for annexation as shown by the tax records of the county. If a proposed annexation extends across a county border into a county other than the county where the majority of the area of the existing municipality is located, a copy of the resolution of consideration shall be mailed within 30 days after the adoption of the resolution of consideration by first class mail to the clerk of the board of county commissioners of that county.

(c) Resolution of Intent. – At least one year after adoption of the resolution of consideration, the municipal governing body may adopt a resolution of intent of the municipality to proceed with the annexation of some or all of the area described in the resolution of consideration. The resolution of intent shall describe the boundaries of the area proposed for annexation, fix a date for a public informational meeting, fix a date for a

public hearing on the question of annexation, and fix a date for the referendum on annexation. The date for the public informational meeting shall be not less than 45 days and not more than 55 days following passage of the resolution of intent. The date for the public hearing shall be not less than 130 days and not more than 150 days following passage of the resolution of intent. The date of the referendum on annexation shall be set for the next municipal general election that is more than 45 days from the date of the resolution of intent.

(d) Notice of Public Informational Meeting, Public Hearing, and Opportunity for Water and Sewer. – A combined notice of public informational meeting and public hearing shall be issued as provided for in this subsection as follows:

- (1) The notice shall be a combined notice that includes at least all of the following:
  - a. The date, hour, and place of the public informational meeting.
  - b. The date, hour, and place of the public hearing.
  - c. A clear description of the boundaries of the area under consideration, including a legible map of the area.
  - d. A statement that the report required by G.S. 160A-58.53 will be available at the office of the municipal clerk.
  - e. An explanation of a property owner's rights under this section.
  - f. A summary of the annexation process with time lines.
  - g. A summary of the opportunity to vote in the referendum and available statutory remedies appealing the annexation and the failure to provide services.
  - h. Information on how to request to become a customer of the water and sewer service, all forms to request that service, and the consequences of opting in or opting out, as provided in G.S. 160A-58.56.
  - i. A clear description of the distinction between the public informational meeting and the public hearing.
- (2) The combined notice shall be given by publication of the information required by sub-subdivisions (1)a., b., and c. of this subsection and a statement regarding the availability of the information required by the remaining sub-subdivisions of subdivision (1) of this subsection in a newspaper having general circulation in the municipality once a week for at least two successive weeks prior to the date of the public informational meeting, with each publication being on the same day of the week. The date of the last publication shall be not more than 10 days preceding the date of the public informational meeting. In addition thereto, if the area proposed to be annexed lies in a county containing less than fifty percent (50%) of the land area of the municipality, the same publication shall be given in a newspaper having general circulation in the area of proposed annexation. If there is no such newspaper, the municipality shall post the notice in at least five public places within the municipality and at least five public places in the area to be annexed for 30 days prior to the date of public informational meeting.
- (3) The combined notice, together with the information about requesting water and sewer service, shall be mailed within five business days of the passage of the resolution of intent by first class mail to the property owners of real property located within the area to be annexed as shown by the tax records of the county.



The person or persons mailing such notices shall certify to the governing board that fact, and such certificate shall become a part of the public record of the annexation proceeding and shall be deemed conclusive in the absence of fraud. If a notice is returned to the municipality by the postal service by the tenth day before the informational meeting, a copy of the notice shall be sent by certified mail, return receipt requested, at least seven days before the informational meeting. Failure to comply with the mailing requirement of this subsection shall not invalidate the annexation unless it is shown that the requirements were not substantially complied with.

- (4) If the governing board by resolution finds that the tax records are not adequate to identify the property owners within the area to be annexed after exercising reasonable efforts to locate the property owners, it may, in lieu of the mail procedure required by subdivision (3) of this subsection, post the notice at least 30 days prior to the date of the public informational meeting on all buildings, on such parcels, and in at least five other places within the area to be annexed as to those parcels where the property owner could not be so identified. In any case where notices are placed on property, the person placing the notice shall certify that fact to the governing board.

(e) **Action Prior to Informational Meeting.** – At least 30 days before the date of the public informational meeting, the municipal governing board shall do all of the following:

- (1) Approve the report provided for in G.S. 160A-58.53.
- (2) Prepare a summary of the approved report for public distribution.
- (3) Post in the office of the clerk all of the following:
  - a. The approved report provided for in G.S. 160A-58.53.
  - b. The summary of the approved report.
  - c. A legible map of the area to be annexed.
  - d. The list of the property owners, and associated mailing addresses, in the area to be annexed that the municipality has identified and mailed notice.
  - e. Information for property owners on how to request to become a customer of the water service or sewer service and all forms to request that service.
- (4) If the municipality has a Web site, post on that Web site all of the information under this section together with any forms to apply for water and sewer service.
- (5) Prepare a summary of the opportunity to vote in the referendum and available statutory remedies for appealing the annexation for public distribution.

(f) **Public Informational Meeting.** – At the public informational meeting, a representative of the municipality shall first make an explanation of the report required in G.S. 160A-58.53 and an explanation of the provision of major municipal services. The explanation of the provision of services shall include how to request water service or sewer service to individual lots, the average cost of a residential connection to the water and sewer system, and the opportunity for installation of a residential connection under G.S. 160A-58.56. A summary of the annexation process with time lines, a summary of opportunity to vote in the referendum and available statutory remedies for appealing the annexation, an explanation of the provision of services, and information for requesting

water service or sewer service to individual lots and any forms to so request shall also be distributed at the public informational meeting. Following such explanation, all property owners and residents of the area proposed to be annexed as described in the notice of public informational meeting and hearing, and all residents of the municipality shall be given the opportunity to ask questions and receive answers regarding the proposed annexation.

(g) Public Hearing. – At the public hearing, a representative of the municipality shall first make an explanation of the report required in G.S. 160A-58.53. Following such explanation, all property owners and residents of the area proposed to be annexed as described in the notice of public informational meeting and hearing, and all residents of the municipality, shall be given an opportunity to be heard.

(h) The municipal governing board shall take into consideration facts presented at the public hearing and shall have authority to amend the report required by G.S. 160A-58.53 to make changes in the plans for serving the area proposed to be annexed so long as such changes meet the requirements of G.S. 160A-58.53. At any regular or special meeting held no sooner than the tenth day following the certification of the election held under G.S. 160A-58.64, the governing board shall have authority to adopt an ordinance, subject to subsection (i) of this section, extending the corporate limits of the municipality to include all, or part, of the area described in the notice of public hearing which the governing board has concluded should be annexed. The annexation ordinance shall:

- (1) Contain specific findings showing that the area to be annexed meets the requirements of G.S. 160A-58.54.
- (2) Describe the external boundaries of the area to be annexed by metes and bounds.
- (3) Include a statement of the intent of the municipality to provide services to the area being annexed as set forth in the report required by G.S. 160A-58.53 and a time line for the provision of those services.
- (4) Contain a specific finding that on the effective date of annexation, the municipality will have funds appropriated in sufficient amount to finance construction of any water and sewer lines stated in the report required by G.S. 160A-58.53 to extend the water and sewer services into the area to be annexed, or that on the effective date of annexation the municipality will have authority to issue bonds in an amount sufficient to finance such construction. If authority to issue such bonds shall be secured from the electorate of the municipality prior to the effective date of annexation, then the effective date of annexation shall be no earlier than the day following the statement of the successful result of the bond election.
- (5) Fix the effective date for annexation as June 30 next following the adoption of the ordinance or the second June 30 following adoption of the ordinance, but not before the completion of the water and sewer request appeal periods are complete.
- (6) Together, with the list of the property owners of parcels within the area described in the annexation ordinance to which a notice was mailed under subsection (d) of this section, be delivered within five business days to the tax assessor and the board of elections of the county in which a majority of the municipality lies.

- (7) Repealed by Session Laws 2012-11, s. 2, effective July 1, 2012.
- (8) If a public body has a Web site, conspicuously post notice of the referendum until after the certification of the election.
  - (i) Referendum Vote on Annexation Ordinance. – The procedures in G.S. 160A-58.64 shall apply to any annexation under this Part. The municipality shall reimburse the board or boards of elections the costs of the referendum required under G.S. 160A-58.64.
  - (j) Effect of Annexation Ordinance. – From and after the effective date of the annexation ordinance, the territory and its citizens and property shall be subject to all debts, laws, ordinances, and regulations in force in such municipality and shall be entitled to the same privileges and benefits as other parts of such municipality.
  - (k) Reserved.
  - (l) Reserved.
  - (m) Simultaneous Annexation Proceedings. – If a municipality is considering the annexation of two or more areas which are all adjacent to the municipal boundary but are not adjacent to one another, it may undertake simultaneous proceedings under authority of this Part for the annexation of such areas.
  - (n) Remedies for Failure to Provide Services. – If, not earlier than 30 days after the effective date of annexation and not later than 15 months from the effective date of annexation, any property owner in the annexed territory shall believe that the municipality has not followed through providing services as set forth in the report adopted under G.S. 160A-58.53 and subsection (e) of this section, the property owner may apply for a writ of mandamus. Relief may be granted by the judge of superior court if the municipality has not provided the services set forth in its plan submitted under the provisions of G.S. 160A-58.53(3)a. on substantially the same basis and in the same manner as such services were provided within the rest of the municipality prior to the effective date of annexation and those services are still being provided on substantially the same basis and in the same manner within the original corporate limits of the municipality. If a writ is issued, costs in the action, including reasonable attorneys' fees for such aggrieved property owner, shall be charged to the municipality.
  - (o) Reports to the Local Government Commission. – The municipality shall report to the Local Government Commission as follows:
    - (1) As to whether police protection, fire protection, solid waste services, and street maintenance services were provided in accordance with G.S. 160A-58.53(3)a., within 30 days after the effective date of the annexation. Such report shall be filed no more than 30 days following the expiration of the 30-day period. If the Local Government Commission determines that the municipality failed to deliver police protection, fire protection, solid waste services, or street maintenance services as provided for in G.S. 160A-58.53(3)a. within 30 days after the effective date of the annexation, the Local Government Commission shall notify the municipality that the municipality may not count any of the residents as part of the population of the municipality for the purpose of receiving any State, federal, or county dollars distributed based on population until all of the services are provided.

- (2) As to whether the extension of water and sewer lines was completed within the time period specified in G.S. 160A-58.53(3), within six months after the effective date of the annexation ordinance, and again within three and one-half years of the effective date of the annexation ordinance or upon the completion of the installation, whichever occurs first. If the municipality failed to deliver either water or sewer services, or both, as provided for in G.S. 160A-58.53(3)b. within three and one-half years after the effective date of the annexation, the municipality shall stop any other annexations in progress and may not begin any other annexation until the water and sewer services are provided. The municipality shall adopt a resolution of consideration to begin again any annexation that is stopped due to this subdivision. (2011-396, s. 9; 2012-11, s. 2.)

**§ 160A-58.56. Provision of water and sewer service.**

(a) The municipality shall provide water and sewer service to the annexed area as required by plans for extension under G.S. 160A-58.53(3) within three and one-half years of the effective date of the annexation ordinance except as provided in subdivision (b)(4) of this section. If (i) the residents in the existing city boundaries are served by a public water or sewer system, or by a combination of a public water or sewer system and one or more nonprofit entities providing service by contract with the public system, (ii) the annexing municipality does not provide that service within the existing city boundaries, (iii) the area to be annexed is in an area served by the public water or sewer system, and (iv) the municipality has no responsibility through an agreement with the public water or sewer system to pay for the extension of lines to areas annexed to the city, the city shall have no financial responsibility for the extension of water and sewer lines under this section. For purposes of this provision, "public water or sewer system" means a water or sewer authority formed under Article 1 of Chapter 162A of the General Statutes; a metropolitan water or sewerage district formed under Article 4 or Article 5 of Chapter 162A of the General Statutes; a county water or sewer district formed under Article 6 of Chapter 162A of the General Statutes; a sanitary district formed under Article 2 of Chapter 130A of the General Statutes; a county-owned water or sewer system; a municipal-owned water or sewer system; a water or sewer utility created by an act of the General Assembly; or a joint agency providing a water or sewer system by interlocal agreement under Article 20 of Chapter 160A of the General Statutes.

(b) Prior to the adoption of the annexation ordinance, the municipality shall offer to each eligible property owner of real property located within the area proposed to be annexed an opportunity to obtain water or sewer service, or both, at no cost other than periodic user fees based upon usage as follows:

- (1) After passage of the resolution of intent, the property owner of real property located within the area proposed to be annexed shall be notified in writing, as provided in G.S. 160A-58.55(d), within five business days of the passage of the resolution of intent, of the opportunity to have water and sewer lines and connections installed at no cost to the property owner. The notice shall state that a request for extending water and sewer lines does not waive the right to contest

the annexation. The property owners of real property located within the area proposed to be annexed shall be allowed 65 days from the date of the passage of the resolution of intent to respond yes or no to the opportunity. Any property owner of a parcel that is an existing customer of the municipality's water or sewer, whether provided by the municipality or by a third party under contract with the municipality, shall be deemed to respond yes to the opportunity, whether or not the property owner returns the notification.

- (2) At the close of the 65-day period, the municipality shall determine if the eligible property owners of a majority of the parcels to be annexed have responded favorably. A majority of the property owners of a single parcel of real property must respond favorably before the municipality may count that parcel of real property as responding favorably.
- (3) If the property owners of a majority of the parcels located within the area proposed to be annexed respond favorably, the municipality shall do all of the following:
  - a. Provide water and sewer lines, service lines, and connections at no cost other than periodic user fees to all real property for which an owner responded favorably if the annexation ordinance is adopted. The right to receive water and sewer lines shall run with the land.
  - b. Notify, within five days of the close of the 65-day period under subdivision (2) of this subsection, those property owners of real property located within the area proposed to be annexed who failed to respond or responded negatively that the property owners of a majority of the parcels located within the area proposed to be annexed responded favorably and offer a second opportunity for that property owner to respond favorably within 30 days.
- (4) If the property owners of a majority of the parcels located within the area proposed to be annexed fail to respond favorably to the offer to obtain water and sewer services made under this section, the municipality may nevertheless proceed with the annexation. If the municipality proceeds with the annexation when the property owners of a majority of the parcels located within the area proposed to be annexed fail to respond favorably to the offer to obtain water and sewer services, the municipality is not required to provide water and sewer services to any property owners in the area that is annexed. If the municipality does provide water and sewer services, and if a property owner requests those services, the municipality may charge the property owner for the connection to a residential lot as provided in subsection (d) of this section during the first five years following the effective date of the annexation. After five years, and only if connection is requested by a property owner in accordance with subsection (e) of this section, the municipality may charge for the connection according to the municipality's policy.

(c) The process required by subsection (b) of this section shall be completed by the municipality at least 30 days prior to the public hearing. The report required by G.S. 160A-58.53 shall include the results of the process required by subsection (b) of this section.

(d) Any property owner of the real property located within the area described in the annexation ordinance may apply to participate in the water and sewer system after the completion of the process required by subsection (b) of this section. For a property owner of real property located within the area described in the annexation ordinance applying within the first year, that property owner may be charged an amount not to exceed fifty percent (50%) of average cost of the installation of the water and sewer for a residential lot. For a property owner of real property located within the area described in the annexation ordinance applying within the second year, that property owner may be charged an amount not to exceed sixty percent (60%) of average cost of the installation of the water and sewer for a residential lot. For a property owner of real property located within the area described in the annexation ordinance applying within the third year, that property owner may be charged an amount not to exceed seventy percent (70%) of average cost of the installation of the water and sewer for a residential lot. For a property owner of real property located within the area described in the annexation ordinance applying within the fourth year, that property owner may be charged an amount not to exceed eighty percent (80%) of average cost of the installation of the water and sewer for a residential lot. For a property owner of real property located within the area described in the annexation ordinance applying within the fifth year, that property owner may be charged an amount not to exceed ninety percent (90%) of average cost of the installation of the water and sewer for a residential lot. Charges pursuant to this section shall be made when the water and sewer connection is operable.

(e) Notwithstanding Article 16 of this Chapter, the municipality may not charge, for any reason, any property owner within the area described in the annexation ordinance, for the installation or use of the water or sewer system unless that property owner is, or has requested to become, a customer of the water or sewer system.

(f) The initial installation of water or sewer connection lines to property shall be completed without charge to the property owner. Title to water or sewer connection lines shall vest in the property owner following completion of the initial installation. The property owner shall be responsible for maintenance and repair of water and sewer connection lines on the owner's property following the initial installation.

(g) If the municipality is unable to provide water or sewer service within three and one-half years, as required by this section, due to permitting delays that are caused through no fault of the municipality, the municipality may petition the Local Government Commission for a reasonable time extension.

(h) For purposes of this section, the following definitions apply:

- (1) "At no cost other than periodic user fees." – The municipality may not charge the property owner who responded favorably under subdivision (b)(3) of this section for any costs associated with the installation of the water or sewer system. The municipality may not charge a property owner who applies to participate in the water and sewer system under subsection (d) of this section prior to the first periodic user fee charge, and on that bill the owner may be charged no more than as provided in subsection (d) of this section.
- (2) "Average installation of a connection for a residential lot." – The average of the cost for residential installations from curb to residence, including connection

and tap fees, in the area described in the annexation ordinance. (2011-396, s. 9.)

**§ 160A-58.57. Contract with rural fire department.**

(a) If the area to be annexed described in a resolution of intent passed under G.S. 160A-58.55(c) includes an area in an insurance district defined under G.S. 153A-233, a rural fire protection district under Article 3A of Chapter 69 of the General Statutes, or a fire service district under Article 16 of Chapter 153A of the General Statutes, and a rural fire department was on the date of adoption of the resolution of intent providing fire protection in the area to be annexed, then the city (if the rural fire department makes a written request for a good faith offer, and the request is signed by the chief officer of the fire department and delivered to the city clerk no later than 15 days before the public hearing) is required to make a good faith effort to negotiate a five-year contract with the rural fire department to provide fire protection in the area to be annexed.

(b) If the area is a rural fire protection district or a fire service district, then an offer to pay annually for the term of the contract the amount of money that the tax rate in the district in effect on the date of adoption of the resolution of intent would generate based on property values on January 1 of each year in the area to be annexed which is in such a district is deemed to be a good faith offer of consideration for the contract.

(c) If the area is an insurance district but not a rural fire protection district or fire service district, then an offer to pay annually over the term of the contract the amount of money which is determined to be the equivalent of the amount which would be generated by multiplying the fraction of the city's general fund budget in that current fiscal year which is proposed to be expended for fire protection times the tax rate for the city in the current year, and multiplying that result by the property valuation in the area to be annexed which is served by the rural fire department is deemed to be a good faith offer of consideration for the contract; Provided that the payment shall not exceed the equivalent of fifteen cents (15¢) on one hundred dollars (\$100.00) valuation of annexed property in the district according to county valuations for the current fiscal year.

(d) Any offer by a city to a rural fire department which would compensate the rural fire department for revenue loss directly attributable to the annexation by paying such amount annually for five years, is deemed to be a good faith offer of consideration for the contract.

(e) Under subsections (b), (c), or (d) of this section, if the good faith offer is for first responder service, an offer of one-half the calculated amount under those subsections is deemed to be a good faith offer.

(f) This section does not obligate the city or rural fire department to enter into any contract.

(g) The rural fire department may, if it feels that no good faith offer has been made, appeal to the Local Government Commission within 30 days following the passage of an annexation ordinance. The rural fire department may apply to the Local Government Commission for an order staying the operation of the annexation ordinance pending the outcome of the review. The Commission may grant or deny the stay in its discretion upon

such terms as it deems proper, and it may permit annexation of any part of the area described in the ordinance concerning which no question for review has been raised, provided that no other appeal under G.S. 160A-58.60 is pending.

(h) The Local Government Commission may affirm the ordinance, or if the Local Government Commission finds that no good faith offer has been made, it shall remand the ordinance to the municipal governing board for further proceedings, and the ordinance shall then not become effective unless the Local Government Commission finds that a good faith offer has been made.

(i) Any party to the review under subsection (h) may obtain judicial review in accordance with Chapter 150B of the General Statutes. (1983, c. 636, s. 21; 1987, c. 827, s. 1; 2011-396, ss. 2, 9.)

#### **§ 160A-58.58. Assumption of debt.**

(a) If the city has annexed any area which is served by a rural fire department and which is in an insurance district defined under G.S. 153A-233, a rural fire protection district under Article 3A of Chapter 69 of the General Statutes or a fire service district under Article 16 of Chapter 153A of the General Statutes, then upon the effective date of annexation if the city has not contracted with the rural fire department for fire protection, or when the rural fire department ceases to provide fire protection under contract, then the city shall pay annually a proportionate share of any payments due on any debt (including principal and interest) relating to facilities or equipment of the rural fire department, if the debt was existing at the time of adoption of the resolution of intent, with the payments in the same proportion that the assessed valuation of the area of the district annexed bears to the assessed valuation of the entire district on the date the annexation ordinance becomes effective or another date for valuation mutually agreed upon by the city and the fire department.

(b) The city and rural fire department shall jointly present a payment schedule to the Local Government Commission for approval and no payment may be made until such schedule is approved. (1983, c. 636, s. 23; 1998-150, s. 16; 2011-396, s. 3.)

#### **§ 160A-58.59. Contract with private solid waste collection firms.**

(a) If the area to be annexed described in a resolution of intent passed under G.S. 160A-58.55(c) includes an area where a firm (i) meets the requirements of subsection (b) of this section, (ii) on the ninetieth day preceding the date of adoption of the resolution of intent or resolution of consideration was providing solid waste collection services in the area to be annexed, (iii) on the date of adoption of the resolution of intent is still providing such services, and (iv) by reason of the annexation the firm's franchise with a county or arrangements with third parties for solid waste collection will be terminated, the city shall do one of the following:

- (1) Contract with the firm for a period of two years after the effective date of the annexation ordinance to allow the firm to provide collection services to the city in the area to be annexed for sums determined under subsection (f) of this section.



- (2) Pay the firm for the firm's economic loss, with one-third of the economic loss to be paid within 30 days of the termination and the balance paid in 12 equal monthly installments during the next succeeding 12 months. Any remaining economic loss payment is forfeited if the firm terminates service to customers in the annexation area prior to the effective date of the annexation.
  - (3) Make other arrangements satisfactory to the parties.
- (b) To qualify for the options set forth in subsection (a) of this section, a firm must have done one of the following:
  - (1) Subsequent to receiving notice of the annexation in accordance with subsection (d) of this section, filed with the city clerk at least 10 days prior to the public hearing a written request to contract with the city to provide solid waste collection services containing a certification, signed by an officer or owner of the firm, that the firm serves at least 50 customers within the county at that time.
  - (2) Contacted the city clerk pursuant to public notice published by the city, pursuant to G.S. 160A-58.55(d), at least 10 days before the hearing and provided to the city clerk a written request to contract with the city to provide solid waste collection services. The request must contain a certification signed by an officer or owner of the firm that the firm serves at least 50 customers within the county at that time.
- (c) Firms shall file notice of provision of solid waste collection service with the city clerk of all cities located in the firm's collection area or within five miles thereof.
- (d) At least four weeks prior to the date of the informational meeting, the city shall provide written notice of the resolution of intent to all firms serving the area to be annexed. The notice shall be sent to all firms that filed notice in accordance with subsection (c) of this section by certified mail, return receipt requested, to the address provided by the firm under subsection (c) of this section.
- (e) The city may require that the contract contain:
  - (1) A requirement that the firm post a performance bond and maintain public liability insurance coverage;
  - (2) A requirement that the firm agree to service customers in the annexed area that were not served by that firm on the effective date of annexation;
  - (3) A provision that divides the annexed area into service areas if there were more than one firm being contracted within the area, such that the entire area is served by the firms, or by the city as to customers not served by the firms;
  - (4) A provision that the city may serve customers not served by the firm on the effective date of annexation;
  - (5) A provision that the contract can be cancelled in writing, delivered by certified mail to the firm in question with 30 days to cure substantial violations of the contract, but no contract may be cancelled on these grounds unless the Local Government Commission finds that substantial violations have occurred, except that the city may suspend the contract for up to 30 days if it finds substantial violation of health laws;
  - (6) Performance standards, not exceeding city standards existing at the time of notice published pursuant to G.S. 160A-49(b) [160A-58.55(d)] with provision that the contract may be cancelled for substantial violations of those standards,

but no contract may be cancelled on those grounds unless the Local Government Commission finds that substantial violations have occurred;

- (7) A provision for monetary damages if there are violations of the contract or of performance standards.

(f) If the services to be provided to the city by reason of the annexation are substantially the same as rendered under the franchise with the county or arrangements with the parties, the amount paid by the city shall be at least ninety percent (90%) of the amount paid or required under the existing franchise or arrangements. If such services are required to be adjusted to conform to city standards or as a result of changes in the number of customers and as a result there are changes in disposal costs (including mileage and landfill charges), requirements for storage capacity (dumpsters and/or residential carts), and/or frequency of collection, the amount paid by the city for the service shall be increased or decreased to reflect the value of such adjusted services as if computed under the existing franchise or arrangements. In the event agreement cannot be reached between the city and the firm under this subsection, the matters shall be determined by the Local Government Commission.

(g) The firm may, if it contends that no contract has been offered, appeal to the Local Government Commission within 30 days following passage of an annexation ordinance. The firm may appeal to the Local Government Commission for an order staying the operation of the annexation ordinance pending the outcome of the review. The Commission may grant or deny the stay upon such terms as it deems proper. If the Local Government Commission finds that the city has not made an offer which complies with this section, it shall remand the ordinance to the municipal governing board for further proceedings, and the ordinance shall not become effective until the Local Government Commission finds that such an offer has been made. Either the firm or the city may obtain judicial review in accordance with Chapter 150B of the General Statutes.

(h) A firm which has given notice under subsection (a) of this section that it desires to contract, and any firm that the city believes is eligible to give such notice, shall make available to the city not later than 30 days following a written request of the city, sent by certified mail return receipt requested, all information in its possession or control, including but not limited to operational, financial and budgetary information, necessary for the city to determine if the firm qualifies for the benefits of this section and to determine the nature and scope of the potential contract and/or economic loss. The firm forfeits its rights under this section if it fails to make a good faith response within 30 days following receipt of the written request for information from the city, provided that the city's written request so states by specific reference to this section.

- (i) As used in this section, the following terms mean:

- (1) Economic loss. – A sum equal to 15 times the average gross monthly revenue for the three months prior to the passage of the resolution of intent or resolution of consideration, as applicable under subsection (a) of this section, collected or due the firm for residential, commercial, and industrial collection service in the area annexed or to be annexed; provided that revenues shall be included in calculations under this subdivision only if policies of the city will provide solid

waste collection to those customers such that arrangements between the firm and the customers will be terminated.

- (2) Firm. – A private solid waste collection firm. (1985, c. 610, s. 4; 1987, c. 827, s. 1; 1989, c. 598, s. 9; 1998-150, s. 17; 2006-193, s. 2; 2006-259, s. 53; 2011-396, ss. 4, 9.)

### **§ 160A-58.60. Appeal.**

(a) Within 60 days following the adoption of the annexation ordinance, any property owner of real property located within the area described in the annexation ordinance who believes that property owner will suffer material injury by reason of the failure of the municipal governing board to comply with the procedure or to meet the requirements set forth in this Part as they apply to the annexation may file a petition in the superior court of the county in which the municipality is located seeking review of the action of the governing board.

(b) Such petition shall explicitly state what exceptions are taken to the action of the governing board and what relief the petitioner seeks. Within 10 days after the petition is filed with the court, the person seeking review shall serve copies of the petition by registered mail, return receipt requested, upon the municipality.

(c) Within 15 days after receipt of the copy of the petition for review or within such additional time as the court may allow, the municipality shall transmit to the reviewing court both of the following:

- (1) A transcript of the portions of the municipal journal or minute book in which the procedure for annexation has been set forth.
- (2) A copy of the report setting forth the plans for extending services to the annexed area as required in G.S. 160A-58.53.

(d) If two or more petitions for review are submitted to the court, the court may consolidate all such petitions for review at a single hearing, and the municipality shall be required to submit only one set of minutes and one report as required in subsection (c) of this section.

(e) At any time before or during the review proceeding, any petitioner or petitioners may apply to the reviewing court for an order staying the operation of the annexation ordinance pending the outcome of the review. The court may grant or deny the stay in its discretion upon such terms as it deems proper, and it may permit annexation of any part of the area described in the ordinance concerning which no question for review has been raised.

(f) The court shall fix the date for review of annexation proceedings under this Part, which review date shall be expeditious and without unnecessary delays. The review shall be conducted by the court without a jury. The court may hear oral arguments and receive written briefs and may take evidence intended to show one or more of the following:

- (1) That the statutory procedure was not followed.
- (2) That the provisions of G.S. 160A-58.53 were not met.
- (3) That the provisions of G.S. 160A-58.54 have not been met.
- (4) That the provisions of G.S. 160A-58.50 have not been met.

(g) The court may affirm the action of the governing board without change, or it may order any of the following:

- (1) Remand the ordinance to the municipal governing board for further proceedings if procedural irregularities are found to have materially prejudiced the substantive rights of any of the petitioners.
- (2) Remand the ordinance to the municipal governing board for amendment of the boundaries to conform to the provisions of G.S. 160A-58.54 if it finds that the provisions of G.S. 160A-58.54 have not been met; provided, that the court cannot remand the ordinance to the municipal governing board with directions to add area to the municipality which was not included in the notice of public hearing and not provided for in plans for service.
- (3) Remand the report to the municipal governing board for amendment of the plans for providing services to the end that the provisions of G.S. 160A-58.53 are satisfied or to correct errors in [the] municipal governing board's estimates that fall below the standards in G.S. 160A-58.63.
- (4) Declare the ordinance null and void, if the court finds that the ordinance cannot be corrected by remand as provided in subdivisions (1), (2), or (3) of this subsection.

If any municipality shall fail to take action in accordance with the court's instructions upon remand within 90 days following entry of the order embodying the court's instructions, the annexation proceeding shall be deemed null and void.

(h) Any party to the review proceedings, including the municipality, may appeal to the Court of Appeals from the final judgment of the superior court under rules of procedure applicable in other civil cases. The superior court may, with the agreement of the municipality, permit annexation to be effective with respect to any part of the area concerning which no appeal is being made and which can be incorporated into the municipality without regard to any part of the area concerning which an appeal is being made.

(i) If part or all of the area annexed under the terms of an annexation ordinance is the subject of an appeal to the superior court, Court of Appeals, or Supreme Court on the effective date of the ordinance, then the ordinance shall be deemed amended to make the effective date with respect to such area the first June 30th at least six months following the date of the final judgment of the superior court or appellate division, or the first June 30th at least six months from the date the municipal governing board completes action to make the ordinance conform to the court's instructions in the event of remand. For the purposes of this subsection, a denial of a petition for rehearing or for discretionary review shall be treated as a final judgment.

(j) If a petition for review is filed under subsection (a) of this section or an appeal is filed under G.S. 160A-58.57(g) or G.S. 160A-58.59(g) and a stay is granted, then the time periods of three and one-half years or G.S. 160A-58.55(n) are each extended by the lesser of the length of the stay or one year for that annexation.

(k) The provisions of subsection (i) of this section shall apply to any judicial review authorized in whole or in part by G.S. 160A-58.57(i) or G.S. 160A-58.57(g).

(l) In any proceeding related to an annexation ordinance appeal under this section, a municipality shall not state a claim for lost property tax revenue caused by the appeal. Nothing in this Article shall be construed to mean that as a result of an appeal a municipality may assert a claim for property tax revenue lost during the pendency of the appeal.

(m) Any settlement reached by all parties in an appeal under this section may be presented to the superior court in the county in which the municipality is located. If the superior court, in its discretion, approves the settlement, it shall be binding on all parties without the need for approval by the General Assembly.

(n) If a final court order is issued against the annexing municipality, costs in the action, including reasonable attorneys' fees for such aggrieved person having a freehold interest in the real property located within the area described in the annexation ordinance, may be charged to the municipality. (2011-396, s. 9 2012-11, s. 5; 2013-410, s. 15.)

#### **§ 160A-58.61. Annexation recorded.**

Whenever the limits of a municipality are enlarged in accordance with the provisions of this Part, it shall be the duty of the mayor of the municipality to cause an accurate map of such annexed territory, together with a copy of the ordinance duly certified, to be recorded in the office of the register of deeds of the county or counties in which such territory is situated and in the office of the Secretary of State. The documents required to be filed with the Secretary of State under this section shall be filed not later than 30 days following the effective date of the annexation ordinance. All documents shall have an identifying number affixed thereto and shall conform in size in accordance with rules prescribed by the Secretary. Failure to file within 30 days shall not affect the validity of the annexation. Any annexation shall be reported as part of the Boundary and Annexation Survey of the United States Bureau of the Census. (1959, c. 1009, s. 7; 1973, c. 426, s. 74; 1987, c. 715, s. 8; c. 879, s. 3; 1989, c. 440, s. 9; 1991, c. 586, s. 3; 2011-396, s. 5.)

#### **§ 160A-58.62. Authorized expenditures.**

Municipalities initiating annexations under the provisions of this Part are authorized to make expenditures for surveys required to describe the property under consideration or for any other purpose necessary to plan for the study and/or annexation of unincorporated territory adjacent to the municipality. In addition, following final passage of the annexation ordinance, the annexing municipality shall have authority to proceed with expenditures for construction of water and sewer lines and other capital facilities and for any other purpose calculated to bring services into the annexed area in a more effective and expeditious manner prior to the effective date of annexation. (1959, c. 1009, s. 8; 1973, c. 426, s. 74; 2011-396, s. 6.)

#### **§ 160A-58.63. Population and land estimates.**

In determining population and degree of land subdivision for purposes of meeting the requirements of G.S. 160A-58.54, the municipality shall use methods calculated to provide reasonably accurate results. In determining whether the standards set forth in G.S.

160A-58.54 have been met on appeal to the superior court under G.S. 160A-58.60, the reviewing court shall accept the estimates of the municipality unless the actual population, total area, or degree of land subdivision falls below the standards in G.S. 160A-58.54:

- (1) As to population, if the estimate is based on the number of dwelling units in the area multiplied by the average family size in such area, or in the township or townships of which such area is a part, as determined by the last preceding federal decennial census; or if it is based on a new enumeration carried out under reasonable rules and regulations by the annexing municipality; provided, that the court shall not accept such estimates if the petitioners demonstrate that such estimates are in error in the amount of ten percent (10%) or more.
- (2) As to total area, if the estimate is based on an actual survey, or on county tax maps or records, or on aerial photographs, or on some other reasonably reliable map used for official purposes by a governmental agency, unless the petitioners on appeal demonstrate that such estimates are in error in the amount of five percent (5%) or more.
- (3) As to degree of land subdivision, if the estimates are based on an actual survey, or on county tax maps or records, or on aerial photographs, or on some other reasonably reliable source, unless the petitioners on appeal show that such estimates are in error in the amount of five percent (5%) or more. (2011-396, s. 9.)

**§ 160A-58.64. Referendum prior to involuntary annexation ordinance.**

(a) After the adoption of the resolution of intent under this Part, the municipality shall place the question of annexation on the ballot. The municipal governing board shall notify the appropriate county board or boards of elections of the adoption of the resolution of intent and provide a legible map and clear written description of the proposed annexation area.

(b) In accordance with G.S. 160A-58.55, the municipal governing board shall adopt a resolution setting the date for the referendum and so notify the appropriate county board or boards of elections.

(c) The county board or boards of elections shall cause legal notice of the election to be published. That notice shall include the general statement of the referendum. The referendum shall be conducted, returned, and the results declared as in other municipal elections in the municipality. Only registered voters of the proposed annexation area shall be allowed to vote on the referendum.

(d) The referendum of any number of proposed involuntary annexations may be submitted at the same election; but as to each proposed involuntary annexation, there shall be an entirely separate ballot question.

(e) The ballots used in a referendum shall submit the following proposition:

"[ ] FOR [ ] AGAINST

The annexation of (clear description of the proposed annexation area)."

(f) If less than a majority of the votes cast on the referendum are for annexation, the municipal governing body may not proceed with the adoption of the annexation ordinance or begin a separate involuntary annexation process with respect to that proposed annexation

area for at least 36 months from the date of the referendum. If a majority of the votes cast on the referendum are for annexation, the municipal governing body may proceed with the adoption of the annexation ordinance under G.S. 160A-58.55. (2012-11, s. 1; 2014-115, s. 15.1.)

**§ 160A-58.65:** Reserved for future codification purposes.

**§ 160A-58.66:** Reserved for future codification purposes.

**§ 160A-58.67:** Reserved for future codification purposes.

**§ 160A-58.68:** Reserved for future codification purposes.

**§ 160A-58.69:** Reserved for future codification purposes.

**§ 160A-58.70:** Reserved for future codification purposes.

**§ 160A-58.71:** Reserved for future codification purposes.

**§ 160A-58.72:** Reserved for future codification purposes.

**§ 160A-58.73:** Reserved for future codification purposes.

**§ 160A-58.74:** Reserved for future codification purposes.

**§ 160A-58.75:** Reserved for future codification purposes.

**§ 160A-58.76:** Reserved for future codification purposes.

**§ 160A-58.77:** Reserved for future codification purposes.

**§ 160A-58.78:** Reserved for future codification purposes.

**§ 160A-58.79:** Reserved for future codification purposes.

**§ 160A-58.80:** Reserved for future codification purposes.

**§ 160A-58.81:** Reserved for future codification purposes.

**§ 160A-58.82:** Reserved for future codification purposes.

**§ 160A-58.83:** Reserved for future codification purposes.

**§ 160A-58.84:** Reserved for future codification purposes.

§ 160A-58.85: Reserved for future codification purposes.

§ 160A-58.86: Reserved for future codification purposes.

§ 160A-58.87: Reserved for future codification purposes.

§ 160A-58.88: Reserved for future codification purposes.

§ 160A-58.89: Reserved for future codification purposes.

#### Part 8. Recording and Reporting.

##### **§ 160A-58.90. Recording and Reporting.**

(a) Annexations made under this Article shall be recorded and reported in the same manner as under G.S. 160A-29.

(b) To be enforceable, any written agreement with a person having a freehold interest in real property regarding annexation shall be recorded in the county register of deeds office in which the real property lies. (2011-396, s. 11.)